(c) the steps taken by Government for the revival and modernisation of this company?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) to (c) Indian Iron and Steel Company (IISCO) has been under reference to BIFR since June, 1994. With a view to revive the company and ensure its future viability, Government had allowed SAIL to convert IISCO into a joint venture, with SAIL holding a minority share holding. Accordingly, SAIL had invited suitable parties to express their interest in such a joint venture. Three companies have been shortlisted and their offers are being currently evaluated.

Restructuring package for Steel Plants

895. SHRI B.J. PANDA: Will the Minister of STEEL be pleased to state:

(a) whether Government have prepared some restructuring package for the Steel Plants under the Steel Authority of India Ltd. (SAIL);

(b) if so, the fund earmarked for implementing the restructuring package; and

(c) the steps taken to implement the restructuring package?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) The financial and business restructuring package for SAIL that has been approved by the Government includes, *inter-alia,* waiver of loans advanced to it from Steel Development Fund (SDF) to a value of Rs. 5073 crores and Rs. 381 crores from the Govt, of India, Government guarantee of Rs. 3,000 crores (with 50% interest subsidy for loan and interest on Rs. 1500 crores) for raising funds from the market to finance VRS scheme for reduction of manpower and meeting repayment obligation on past loans. Business restructuring envisages divestment of the following non-core/non-viable assets of SAIL.

* Power plants at BSL, DSP, RSP and BSP
* Oxygen plant-2 at Bhilai Steel Plant
* Salem Steel Plant (SSP)

* Alloy Steels Plant (ASP)

*Visvesvaraya Iron and Steel Plant (VISP)

* Fertilizer plant at Rourkela Steel Plant; and

* Conversion of IISCO into a joint venture with SAIL holding minority shareholding.

(b) No investment from Government is envisaged in the approved restructuring package for SAIL.

(c) In order to effectively implement the business restructuring plan, specific milestones have been made for various tasks included in the Plan. Accordingly, a detaild MoU was signed between Ministry of Steel and SAIL on 13.3.2000 incorporating these milestones. The progress of its implementation is reviewed periodically by the Government in order to ensure timely completion.

Safe Operation of IISCO

896. SHRI DIPANKAR MUKHERJEE: Will the Minister of STEEL be pleased to refer to answer to Starred Question 232 given in the Rajya Sabha on the 12th March, 2001 regarding safe operation of IISCO and state:

(a) whether SAIL had released Rs. 3.3 crore only to IISCO instead of Rs. 17.95 crore as approved in 239th Board meeting for safe operation of IISCO;

(b) if so, the reasons therefor; and

(c) by when the balance amount will be released to IISCO to ensure safe operation as envisaged?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) and (b) Schemes for safe operations of IISCO for Rs. 17.25 crores were approved by the SAIL Board. An amount of Rs. 9.50 crores has been spent upto June, 01 on such schemes.

(c) Safe operation of the Burnpur Plant is being ensured by carrying out essential repairs, and the balance funds will be provided in line with the requirement of the schemes.